The following is a transcript from the Q&A portion of the monthly webinar held on Wednesday, November 28, 2012 with superintendents and charter school administrators. The full audio for this webinar, including the full presentation prior to the Q&A, is posted online at http://www.sde.idaho.gov/site/administrators.htm. Please note: the next webinar will be held Monday, December 17. If you did not already receive an invitation, please e-mail Nick Smith at nwsmith@sde.idaho.gov.

Questions are grouped below in the following topic areas:

- Early Retirement Incentive Program
- Fifth Factor
- Financial Emergencies
- Future Reform Efforts/SDE's Work with Legislators
- Local Budget Revisions
- Negotiations/Evergreen Clause
- 99% ADA Protection
- Online Graduation Requirement
- Pay-for-Performance Data
- RIF and Seniority
- SAT/College Entrance Exams
- Schoolnet/Discovery Education
- Task Force References
- Teacher Evaluations
- Technology Funding/1:1 Implementation
- Use-It-Or-Lose-It

EARLY RETIREMENT INCENTIVE PROGRAM

Q: The Early Retirement (Incentive Program) was funded as a line item. Hopefully, we would not be expected to pay from a source of revenue.

Tim Hill: It was a state-funded program so there is no expectation for the districts to pay. The question is and the difficult is that the application period was last April for the current year. So regardless of the Attorney General's response, the Legislature is going to have to address, if they intend to pay out, they are going to have to address an amendment or setting aside the statute to make that happen. So stay tuned on that one. But I would be surprised because this has been historically a state-funded program as a separate line item, I don't believe there would be any expectation for districts to have to use any of their funds for this.

Q: Will the Early Retirement Incentive be in place for those retiring in 2013?

Jason Hancock: Under current law as it stands now, yes they would be eligible. But we are going to have a Legislative Session that will take place between now and the filing period that we typically have and would have had each year for these retirements. If the Legislature decides they want to keep this program repealed, they will have plenty of time to pass legislation to do that. I think we should say "stay tuned" on that one. As of right now, yes, teachers retiring in 2013 would qualify.

FIFTH FACTOR

Q: Please explain the reallocated fifth factor.

Jason Hancock: The fifth factor was just the salary-based apportionment funding formula in the past consisted of four different factors so things like support units and the index and base salary, staff allowance. The Students Come First legislation added a fifth deflation factor to that formula that reduced the final result of that calculation by 1.67%. Now, it originally also included further reductions in future years but those were all cancelled. So the only thing that was left was that original 1.67% reduction. By repealing Senate Bill 1184, that 1.67% reduction in salary-based apportionment is going away, and it's going away here in the middle of the year. So you are going to see your salary-based apportionment funding from the state top up by 1.67% as compared to what you were expecting prior to the repeal of these laws. You should see that start to show up in your February 15 payment. Luci Willits: I think it's important to note that the fifth factor was 1.67%. It was eliminated so that's the only percentage decrease we are talking about. There wasn't any additional fifth factor; it was only the original.

Tim Hill: One more point that I would like to make is that we need to look at these changes in a package. In other words, it would be easy to isolate the loss of flexibility on use-it-or-lose-it where we had a \$25 million estimate as a negative but the 1.67% adjustment going away is going to create roughly \$13 million favorable adjustment so, you know, this in many case, not all, but many cases will help to offset what you are losing in the flexibility in use-it-or-lose-it. We understand that each situation is unique. Some of you may have already hired your full allowance, and you're still getting some additional monies from the removal of the 1.67%, but I would suggest most of you are in a different situation where you hired less individuals so the 1.67% coming back to you will help offset that loss.

Q: Please recognize that the 1.67% does not help districts that are slotted to lose almost \$5 million net.

Tim Hill: I understand that 1.67% is not 9.5%. But if the Legislature is going to try and fix this they need to consider those jointly. I wasn't suggesting that everyone was going to be OK because of the 1.67%, I was suggesting that it will help to slightly offset that negative trajectory.

Q: There was a 1.85% reduction in the base salary when the fifth factor was put in place. Will the 1.85% be addressed?

Jason Hancock: That was a base salary reduction that was instituted by JFAC as simply a budget cut. The Legislature was cutting budgets in FY10, FY11 and FY12. That was one of the cuts that they made. Those cuts never had anything to do with Students Come First. I think there were a lot of people out there tried to conflate the two, but it really never had anything to do with Students Come First so that money does not come back as a result of repeal. As far as going forward goes, we are required to put a request for a 1% increase in base salaries into the budget request that we submit in September every year. That is something that the DFM and the Legislature require us to do. So there is the 1% request that's in there. If the Legislature and the Governor determine to increase base salaries, then that would effectively go toward offsetting that reduction as well as the base salary reductions that were instituted in FY10 and FY11 as well.

FINANCIAL EMERGENCIES

Q: Since we are already looking into budget cuts for next year as we plan on an upcoming M&O levy, does the SDE recommend that we plan on not making cuts to certain certificated staff below the formula? Weren't we in a state of emergency before the bills passed? Or would such an emergency only be in effect for one year?

Jason Hancock: I think from that question that that may be referring to the law that we used to have about declaring emergencies and being able to reduce staff pay and things like that in the event of a

financial emergency. That financial emergency statute has come back into effect now, but the conditions are looked at individually from year to year. The conditions basically have not been met that would allow the declaration of an emergency at the current time. It's back in statute, but it's not going to do you any good unless the Legislature decides to make substantial further reductions to public school funding next year, which I don't anticipate that.

Tim Hill: I think the first part of that question was addressing the removal of the flexibility of the use-it-or-lose-it, meaning that I think the question was do we go ahead and hire our allowance in order to get our allowance? And I think that in any year that we really can't with any certainty anticipate what the Legislature may do – this year or any other year. That's why when they go home, we hit the road in the spring with all of the budget information that you need. So I wish I could give you an answer sooner, but I'm not going to try to predict the future. I think that you're going to be forced to, as we are, wait until the Legislative session is over with to find what if anything they are going to do with future flexibility on use-it-or-lose-it. That will then be covered in our Post-Legislative Workshops.

FUTURE REFORM EFFORTS/SDE'S WORK WITH LEGISLATORS

Q: What is the State Department doing to bring stakeholders together to form future reform plans? Luci Willits: At this point, we are meeting with individual stakeholders, each of the interest groups, to gauge where they are at, what their positions are on things that were in Students Come First, what they would like to move forward. I think what you are going to see going forward is most likely taking the lead from either the Governor's Office or the State Board of Education. We are still trying to work that out at this point.

Q: I have spoken to Senator Cameron and he has indicated he has support from the Governor and many legislators to hold districts harmless.

Luci Willits: I think that is true. What I would continue to say is that it is very important to talk to your local legislators about this issue and explain how it affects your district. Some districts are OK with useit-or-lose-it because they are ahead based on the 1.67%. Some districts it creates a huge hole for them. What I will continue to advocate for them is for you talking to your local legislators and telling your story about this. I would have a very hard time believing that the legislature would not reinstate that for the full year. I think that would be akin to a mid-year cut, and they have done everything in their power not to do that in the past. So I have great hope that they'll fix that. But we have a lot of new legislators we haven't talked to yet. We are working on talking to them, and many of them need educated on these issues. So it's very important that you do the same thing. We will talk to them about where they are and the information they need, but it's also important that you talk to your local legislators. I think another important question is will the Legislature continue use-it-or-lose-it going forward, and I think that is really incumbent on districts to speak to that rather than the SDE. One of the reasons the use-it-or-loseit was put in place was because of the fifth factor. That no longer exists, so the question becomes, do districts still need use-it-or-lose-it without the fifth factor. That is something that districts need to speak to, not the state, because that affects you at your local district. I think you are the best spokesmen for that, not the SDE.

Q: What is the SDE's plan for lobbying the Legislature for reform?

Luci Willits: We are still working that out. What we are doing right now is compiling any sort of bridge legislation that would need to be done at the Legislature and things that were in Students Come First that the SDE would be the right person to bring that forward, or the right entity. So let me give you an example of something that the SDE will work on. As part of Proposition 3, MTI, the Mathematical Thinking for Instruction class, was listed as transcripted credit. That's gone. That would be an

appropriate role for us to bring forward. So a lot of these correction-type issues with Students Come First that aren't necessarily controversial but are issues that need to be addressed that will help us be more effective. So you'll see us bring some clean-up legislation. I think we are all trying to figure out where the Legislature is on some of these issues, and what different interest groups need. Superintendent Luna will not bring forth legislation that has not been at least vetted through stakeholders and what I mean by that is those who have been talked to by stakeholders. It's very important to him that we have a conversation with that. If you're looking for the SDE to bring forth legislation on some of these more meatier issues, we would expect that those would be addressed in front of the task force. It doesn't mean that we might get agreement on them, but I think that would be addressed there. So the SDE will bring forward things, but we are still trying to figure out what that means. What I would suggest to you as leaders in the school district is the SDE cannot be the only people and the only entity talking about what needs to be done. We cannot be the only torch here. So it is very important that the superintendents and administrators and principals speak to what needs to be done with their local legislators because you are the closest on the ground. So I will continue to beat that drum. You will get tired of me saying that. You will get tired of hearing that, but it's really important that you speak up as to what you want because the SDE cannot be the only voice in this at the table.

Q: Will Superintendent Luna be submitting a revised budget request that reflects the Propositions failing?

Jason Hancock: We don't the answer to that question yet. We have been looking at those issues and running those numbers. The issue is really whenever we submit budget requests, we always meet with the stakeholders first, and we are really up against a clock here where we are really just about out of time as far as being able to submit a budget revision that would kind of get into the system, that would get to the Governor's office in time for them to incorporate it into their documents and that would get to the Legislature in time for them to incorporate into their documents. We are really just starting to just get our arms around some of these issues, but we still have a lot of questions with AG opinions that are still pending. So I'm not sure we are going to have answers to all the questions or have had time to then, once we get answers to all the questions, I don't know if we then have time to meet with stakeholders and still have enough time on the clock to get an official revision in. If we can, we will. Even if we don't, we will work with the Governor's office and with the Legislative Services to help answer questions that they have as far as what the impact is on the budget of these laws being repealed so that as they go through their process of putting their publications together and the Governor's office making decisions about the Governor's budget recommendation that they are at least doing so based on the best information we have.

Q: Your slide indicates that money is lost for schools. What is being done to work with legislators to restore this money via emergency legislation so that it is not lost?

Luci Willits: So there's a couple questions about what happens and what is being done with the Legislature. At this point, we are giving information to legislators so they can be informed on what to do. This is going to be a very interesting session. We have many new legislators so there is a huge learning curve here when it comes to educating the Legislature. So that's the No. 1 priority is to let them know the consequences of what's happened so they can make informed decisions. I think it's very important for each of you to contact your local legislators. This isn't going to merely be the Department of Education taking a lead on this. This has got to be your groups talking directly to legislators about what you want because it's important that they hear directly from their local school districts. We can't be the only voice here saying these things need to be fixed and what needs to be done. So you're not going to see us in a prominent role here. You are going to see us having a voice, but this will be largely

determined by what you say. I would highly recommend you communicate with your local legislators, that you tell them what you like so they can be informed.

LOCAL BUDGET REVISIONS

Q: We are beginning to work through our mid-year budget revisions. Should we use the current budget worksheets, including the state salary index to determine revenue?

Tim Hill: Obviously, our budget worksheets from the current year that we posted last spring are not going to be correct in the fact like salary-based apportionment, for example, has got 15% for virtual shift and it's got 9.5% built in for the use-it-or-lose-it flexibility. If you need to revise your budget mid-year at this point, I will have that discussion with staff and see if we can maybe set up some revised worksheets, but again, I guess I'm wondering if maybe, I understand the timing issues, but I would hope that the early part of the session we will have an idea of the appetite of the Legislature to address some of these mid-year cuts, so if you want to give me a call separately, we can discuss that. If this is something many of you are needing and feel the urgency to do so, we will address that and put out some revised worksheets. I just hate to have you go through and revise a budget assuming that the Legislature's not going to address these things and then in a few months, find out that they are going to address them. I understand the confusion.

NEGOTIATIONS/EVERGREEN CLAUSE

Q: Could you speak more to the evergreen clause? Does it go away?

Jason Hancock: The "evergreen clause" is something that was found in master agreements. It was never a part of state law. Students Come First used state law to prohibit the inclusion of evergreen clauses in contracts and basically voided evergreen clauses. Again, not to wax too Latin again, but this is tabula rasa again here. This is a blank slate. So you currently have a master agreement in place that does not have an evergreen clause. When that master agreement was put together last spring, there was no evergreen that could be put in it. So there is no evergreen clause right now, and the only way it can come back is if you as a school board or school district decide to put it back into a master agreement. Now, you are now legally able to put evergreen clauses back in if you want to, but there's nothing that says that you have to.

Q: Does the State Department of Education intend to run legislation placing boundaries on the negotiations (i.e. June 20)?

Jason Hancock: That was the part of Students Come First that created that drop-dead date that negotiations had to be concluded by a certain date and master agreements finalized by a certain date. And the reason for that was because Students Come First also eliminated the evergreen clause. So, things had to be done by a certain date. I believe that the School Boards Association is including some of these kinds of concepts that you are talking about here with the resolution that they passed just in the last week or two. They are advocating for bringing back some pieces of Senate Bill 1108, not all of it, but I think this is one of the areas they are addressing. I would not expect to see the State Department take the lead on that particular issue. I think you are going to see the School Boards Association take on that issue.

Q: If a negotiated agreement had a written agreement that the old master agreement would come back and/or negotiations would be reopened if the Props were voted down, does that supersede the AG's response that the master agreement doesn't come back until next negotiation?

Jason Hancock: I would say that if you put something like that in your master agreement this last spring that that was not legal. The master agreement was allowed to include two things and that was salaries and benefits and nothing else. If you put something extra like that in your master agreement this last spring, that was not done legally.

Luci Willits: So the answer is the AG's opinion supersedes that.

Jason Hancock: Yes. I think the AG's opinion holds that I don't see how you could have entered into that kind of an agreement legally last spring because it was not legal to do that last spring. I don't see how it could be legally binding.

99% ADA PROTECTION

Q: What is happening with the 99% flooring (99% ADA Protection)?

Jason Hancock: On that one, the guidance we have gotten from the Attorney General's office is that the 2012 legislation would stand which was the 97% self-funded ADA Protection level. But we have still got some questions on that because when we got our Lexis Nexis-driven law books, that is not really what those books indicated the law code would be if Students Come First was repealed. WE have asked the Attorney General's office to work with the Code Commission and the people who put those publications together to get that ironed out so that all the lawyers are on the same page.

ONLINE GRADUATION REQUIREMENT

Q: Do you think the Legislature will bring back an online learning requirement at this time?

Luci Willits: No, I don't. I think the State Board will address it. I think what will happen is the Legislature will approve the online course requirement being taken out of rule and I think whatever sort of task force is developed for future education reform, I think it will be addressed there. I think there is still a lot of interest at the State Board in having something, but I don't necessarily think it would come from the Legislature. I think it would come from the State Board. Graduation requirements are in rule. Certainly, a legislator could run a piece of legislation to require the State Board to put something in specific in rule, but I think you are going to see this driven by the State Board, not the Legislature.

Q: Is the online clearinghouse gone?

Luci Willits: Yes. As part of the online graduation requirement, there was fractional ADA, there was the opportunity for online courses to be reviewed and vetted, and then there was the online clearinghouse, which was part of that but also would allow almost an e-commerce type element, and that work has been halted, and it is no longer continuing.

Q: Is the State Board's repeal of the online graduation requirement is authoritative over action the Legislature might take on this regard?

Jason Hancock: I think maybe part of what this goes to is if the Legislature wants to pass a law and say that there will be an online course graduation requirement, does the State Board rule or the repeal of that rule take precedence over that? The answer is no. Law trumps rule. We have a hierarchy around here where our state Constitution trumps our state law and our state law trumps our state rule. If the Legislature chooses to wade into that and set that requirement as a matter of law, then that will be the requirement. But I will say that the Legislature generally does not do that. I am not aware of any graduation requirements that are actually set in state law. The furthest they have gone as far as I know is with Students Come First where they directed the State Board of Education to establish what the online course requirement would be without telling them what the answer had to be, just telling them

to go forth and establish what the requirement is. That is as far as they have gone in the past, as far as I know.

Luci Willits: I think there is another hidden question in there: what happens if the Legislature doesn't approve the rule or rejects the rule? I think that is highly unlikely. I can't imagine the Legislature saying they want to keep the online graduation rule. It's possible because it only takes one committee to approve the rule, but I just can't imagine them doing that. I don't think they are in that kind of mood. I think their priorities will be looking at the budget, looking at things like the fifth factor, looking at teacher policies. I don't see the online graduation requirement being something that they would take that kind of stand on.

PAY-FOR-PERFORMANCE DATA

Q: We still have errors in our pay-for-performance data which has resulted in not getting some teachers who earned pay-for-performance bonuses to receive it. We have reported the issues but have not heard back. To meet the December 15 deadline, we need to know how to move forward. Jason Hancock: Certainly there has been more than ample time for the correction to take place. We are talking about the May 2012 upload. Honestly, we had to have at some point on the calendar a dropdead point because we are dealing with a fixed pool of money here. We have about \$38.8 million and it all needed to get distributed under the formula. We couldn't hold any in reserve to deal with errors and omissions. We gave as much time as we possibly could, but once we got that final data in from you and the corrections by October 19, we had to go with that and make those calculations. At this point, if there are still errors in your data that have resulted in maybe somebody getting less money than you feel like they should have had the data been submitted accurately, or maybe getting more money than you feel like they should have had the data been submitted accurately, that is something that you are going to have to deal with at your end at this point. There is not any money left in the kitty here. It all got distributed, all the money that we have the statutory authority to distribute, we distributed on November 15. What we've told districts is that if you have a mistake to the positive and a mistake to the negative errors in your data that you can offset those mistakes against each other, so if you have someone whose maybe they were we show them in the data you submitted as a full-time person but really they are a part-time person and so we sent you more money than we should have and then you've got another person who just got missed entirely and should be getting a bonus, you can make that correction with the employee who has an over-allocation from us and take that money and shift it over to the person who you missed in the data you submitted to us. You have the flexibility in your end to make those kind of corrections, but the big caveat here is you can't make changes that result in somebody's bonus being less than what it is legally entitled to be. You cannot go and arbitrarily reduce everybody's bonus by a few bucks so that you can pay somebody you missed. You can offset the plusses and the minuses if you've got some errors and move the money around from the plus mistakes to the minus mistakes and balance it that way, but other than that, at this point, it's really something where if you've got somebody you think needs to be paid a bonus, it is going to have to be paid from your own general fund if you don't have an offsetting mistake in the other direction to help cover it.

RIF AND SENIORITY

Q: What is the situation surrounding Reduction-in-Force and seniority?

Nick Smith: I kind of touched on that a little bit in the presentation. Basically, Reduction-in-Force and seniority was not in statute prior to Students Come First. Now, you should have adopted a board policy that addressed Reduction-in-Force and not being able to use seniority in it. That board policy can

continue to stand, but there is nothing in statute that requires you to have that. It's up to you and your local board to make that determination of how you want to proceed with Reduction-in-Force.

SAT/COLLEGE ENTRANCE EXAMS

Q: What is the status of the SAT this spring as a graduation requirement?

Carissa Miller: The SAT currently required is in State Board rule and it was put there several years ago. That has not changed. There isn't a specific score students have to get in order to graduate but they have to take one of the four assessments according to the State Board rule: SAT, ACT, ACCUPLACER and COMPASS. That stays the same, and we are still paying for the SAT and the ACCUPLACER.

SCHOOLNET/DISCOVERY EDUCATION

Q: Are there any impacts to Schoolnet and Discovery Education?

Luci Willits: Yes. Schoolnet's funding after the Albertson's grant runs out was funded through Prop 3. So obviously if that is going to continue, we would have to ask the Legislature for that funding. There are pieces of Discovery that were part of Proposition 3 as it related to professional development. The digital content is not affected directly at this time by Prop 3, but we would have to ask the Legislature for more money to continue with Schoolnet as a line item because right now the funding has been eliminated.

Q: Are the ISEE Phase II grants going to be available moving forward?

Joyce Popp: Yes, we are planning on having a grant application available in January, and we are working through that right now with all of the different metrics that we will hold everyone accountable to going forward. It will be a competitive grant again.

Q: When does the Albertson grant run out?

Joyce Popp: a year and half from now, approximately 18 more months.

TASK FORCE REFERENCES

Q: When you say "task force," are you referring to members of the task force from last year?

Nick Smith: When I referenced "task force," I was speaking to a teacher and principal evaluation task force. I think it was actually titled the Evaluation Capacity Task Force and Administrator Evaluation Task Force, there were actually two task forces. We are going to be pulling those groups back together to work on the teacher and principal evaluation changes that we need to make to be in line with the waiver application.

TEACHER EVALUATIONS

Q: At this time, regarding teacher evaluation, we just don't know what dates to use. If districts passed policies including student achievement, should it continue with the policy?

Nick Smith: We are still waiting on the Attorney General's opinion on this. As I received this question over the last, I have told folks that if I were out in a district and if I were a principal today, I would be working pretty diligently on my evaluations right now for fear they will come back with that January 1st deadline. I would not be waiting for that opinion to come back to be working on those evaluations. If I were a betting man, that's what I would say. If you have a policy that includes student achievement and parental input, you can absolutely do it. Your board may also open up that policy and pull that out. Your board policy can stand on its own. It can have that information and those requirements in your

evaluation. Remember, the State Board rule that governs these evaluations sets the minimum standards and requirements but districts can have requirements and multiple pieces of evidence that go into that evaluation.

***UPDATE: Since the conference call, the AG's office has provided an opinion on this matter. A copy of the opinion was e-mailed to all district superintendents and school principals. The opinion makes it clear that districts should plan on implementing an evaluation system during the 2012-2013 school year that is aligned to the Students Come First laws including 50% of the evaluation being based on objective measures of growth in student achievement and input from parents and guardians of students. The evaluation should be split into two parts with the first part being based on the Charlotte Danielson Framework, which must be completed by March 1. The second portion shall include the growth in student achievement and the input from parents and guardian. The statute does not dictate what measures shall be used in measuring growth in student achievement. Those measures should be determined at the local level by the local school board.

Q: If it's not in board policy, do we still have to include parent input and student achievement as part of the teacher evaluation?

Nick Smith: No, but we don't really know. That's why we requested that opinion from the Attorney General's office. As soon as we get that, we will send that out to you. The reason it's not clear is because we are continuing to operate under Category A and B contracts. That we know. The question is whether we will continue to operate under Category A and B evaluation requirements as well. So that's why we are waiting on that opinion from the Attorney General's office to determine how districts should proceed. I promise as soon as we get that, we will send it your way and get that into your hands. Luci Willits: I just echo to Nick's point. There are just a lot of things we just don't know yet. We appreciate everyone's patience but we have been living under a set of rules that have been changed. What we continue to hear from the AG's office is that these are a matter of "first impression," which means they have not been addressed before in Idaho court. So it's new ground for the AG's office; it's new ground for us. We don't mean to be unclear, but we would rather have concrete information than give you theories at this point.

***UPDATE: Since the conference call, the AG's office has provided an opinion on this matter. A copy of the opinion was e-mailed to all district superintendents and school principals. The opinion makes it clear that districts should plan on implementing an evaluation system during the 2012-2013 school year that is aligned to the Students Come First laws including 50% of the evaluation being based on objective measures of growth in student achievement and input from parents and guardians of students. The evaluation should be split into two parts with the first part being based on the Charlotte Danielson Framework, which must be completed by March 1. The second portion shall include the growth in student achievement and the input from parents and guardian. The statute does not dictate what measures shall be used in measuring growth in student achievement. Those measures should be determined at the local level by the local school board.

Q: If student achievement is required, is student achievement defined as ISAT achievement?

Nick Smith: The answer is no. The statute basically said "objective measures of growth in student achievement." The statute is gone. I will say we were in the process of putting a Board rule into place that would have required a percentage of that growth in student achievement to be based on the ISAT. It did not give a specific percentage. And that was a requirement of the ESEA waiver application was the reason we were putting that into Board rule. We have pulled back on that at this time. We are not putting that into Board rule. We are going to work with, as I mentioned earlier, the Teacher Evaluation Task Force to come up with some recommendations that we will take forth to the State Board to meet

those minimum ESEA waiver application requirements. A portion of which will be, they will require us to have a portion of the student achievement based on growth as measured on the ISAT.

TECHNOLOGY FUNDING/1:1 IMPLEMENTATION

Q: What about the laptop distribution?

Luci Willits: We are not having one. There is no laptop distribution.

Nick Smith: There is no laptop distribution. That was part of Prop 3 and is gone.

Q: The extra \$10,000 for tech staff was not part of Students Come First, correct? Will districts still receive these funds?

Jason Hancock: Yes and yes.

Q: We have received grant funds for professional development for 1:1 implementation. Can these funds be spent and on what?

Nick Smith: I think the answer to this would be similar to what the AG's response was on the tech funds. It should be spent in accordance with the plans that were submitted.

USE-IT-OR-LOSE-IT

Q: Does the State Department of Education plan to lobby the Legislature to relieve some money to districts that are using the "use-it-or-lose-it" relief provisions of Code?

Luci Willits: Essentially, if the Legislature does not address use-it-or-lose-it this year, it would be a mid-year holdback, which the Legislature has done everything in its power to avoid. When it comes to whether the SDE would lobby to keep that in the future, that was directly tied to the fifth factor. I think that whether administrators and school boards want to keep that would be up to them to voice support for that provision.

Q: Please explain the 5% virtual use-it-or-lose-it.

Tim Hill: This comes down to if there is a need for it. Assuming there is no longer a flexibility on use-it-or-lose-it, an example is a district that had 100 FTEs for instructional staff if they hired less than that and had eligible expenses for virtual education, those expenses could be used towards the unused allowance, excluding benefit apportionment of course because benefit apportionment is only distributed for your obligations for employees. So if you had paid some virtual provider and had used than your allowance, then that would be available to you. Even if you had, again unless you had a need for, in that example if you had a balance of 100 and hired 100 and still had virtual expenses, they wouldn't be necessary because the goal is to divert a portion of your allowance toward virtual education. It gives you that flexibility.

Q: What is the feeling among the legislators regarding use-it-or-lose-it moving forward?

Luci Willits: I don't know. I haven't talked to enough legislators on moving forward to know. I think it is highly doubtful that the Legislature would allow a mid-year cut with use-it-or-lose-it. Now, there are some legislators who might, but I think there are many that would not allow that to go forward. But I think if you want use-it-or-lose-it going forward, you are going to have to tell legislators because that's really how you operate your budget. But I can't tell you how they are thinking about it now going forward. I think their most immediate concern is whether use-it-or-lose-it is in place the rest of the school year because right now it has stopped.